

§§ 575.504–575.532

31 CFR Ch. V (7–1–04 Edition)

blocked account or a sub-account thereof, or the income derived from such securities or assets, to a blocked account or sub-account, under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities or assets were or are held.

(g) This section does not authorize any payment or transfer from a blocked account in a U.S. financial institution to a blocked account held under any name or designation which differs from the name or designation of the specified blocked account or sub-account from which the payment or transfer is made.

NOTE TO § 575.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

[56 FR 2113, Jan. 18, 1991, as amended at 56 FR 5636, Feb. 11, 1991; 58 FR 47646, Sept. 10, 1993; 62 FR 45109, Aug. 25, 1997]

§§ 575.504–575.532 [Reserved]

§ 575.533 Certain new transactions.

(a) *New Transactions.* Except as provided in paragraph (b) of this section, on or after the effective date of this section, all transactions that are otherwise prohibited by subpart B of this part are authorized.

NOTE TO PARAGRAPH (A): This authorization does not eliminate the need to comply with other provisions of 31 CFR chapter V or with other applicable provisions of law, including any aviation, financial, or trade requirements of agencies other than the Department of the Treasury's Office of Foreign Assets Control. Such requirements include the International Traffic in Arms Regulations (22 CFR parts 120 through 130) administered by the Department of State.

(b) *Continued Blocking, Special Provisions for Certain Exports and Reexports, and Additional Conditions.* (1) All property and interests in property that were blocked pursuant to subpart B of this part as of the effective date of this section remain blocked and subject to the prohibitions and requirements of this part.

(2) The exportation from the United States or, if subject to U.S. jurisdiction, the exportation or reexportation from a third country to Iraq of any goods or technology (including tech-

nical data or other information) controlled by the Department of Commerce under the Export Administration Regulations (15 CFR chapter VII, subchapter C) for exportation to Iraq must be separately authorized by or pursuant to this part.

NOTE TO PARAGRAPH (B)(2): The term "controlled by the Department of Commerce" means subject to a license requirement under the Department of Commerce's Export Administration Regulations (EAR). Items subject to a license requirement under the EAR include items on the Commerce Control List that are listed in 15 CFR 746.3 as requiring a license for exportation or reexportation to Iraq, as well as items and activities that require a license under the end-use and end-user provisions of 15 CFR part 744. To inquire whether particular goods or technology are controlled by the Department of Commerce under the Export Administration Regulations for exportation to Iraq, the exporter or reexporter should contact the Department of Commerce, Bureau of Industry and Security.

(3) This section does not authorize any transactions with:

(i) Persons or organizations determined by the Director of the Office of Foreign Assets Control to be included within § 575.306,

(ii) Persons on the Defense Department's 55-person Watch List, or

(iii) Persons identified by the 661 Committee pursuant to paragraphs 19 and 23 of United Nations Security Council Resolution 1483, adopted May 22, 2003.

NOTE TO PARAGRAPH (B)(3): Persons determined by the Director of the Office of Foreign Assets Control to be included within § 575.306 are also known as specially-designated nationals ("SDNs") of the Government of Iraq. These persons are included in Appendix A to 31 CFR chapter V, and an up-to-date list is maintained on the Office of Foreign Assets Control's Web site at <http://www.treas.gov/ofac>.

(4) This section does not authorize any transactions with respect to Iraqi cultural property or other items of archaeological, historical, cultural, rare scientific, and religious importance illegally removed from the Iraq National Museum, the National Library, and other locations in Iraq since August 6, 1990. Any trade in or transfer of such items, including items with respect to which reasonable suspicion exists that

they have been illegally removed, remains prohibited by subpart B of this part.

NOTE TO PARAGRAPH (B)(4): Questions concerning whether particular Iraqi cultural property or other items are subject to this paragraph should be directed to the Cultural Property Office, U.S. Department of State, tel. 202/619-6612, fax 202/260-4893, Web site <http://www.exchanges.state.gov/culprop>, email culprop@pd.state.gov.

(c) *Effective Date.* This section is effective May 23, 2003.

[68 FR 38189, June 27, 2003]

§575.534 Transfers of certain blocked claims by U.S. financial institutions.

U.S. financial institutions are authorized to transfer claims that were booked in the United States as of May 23, 2003, against the Government of Iraq for unpaid loans and other debts to their home offices or to other foreign offices of the same institution. This section authorizes only the transfer of claims and does not authorize the debiting of any blocked account

[68 FR 65845, Nov. 24, 2003]

Subpart F—Reports

§575.601 Records and reports.

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

[62 FR 45109, Aug. 25, 1997]

Subpart G—Penalties

§575.701 Penalties.

(a) Section 586E of the Iraq Sanctions Act of 1990 (Public Law 101-513, 104 Stat. 2049; 50 U.S.C. 1701 note), as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law 101-410, as amended, 28 U.S.C. 2461 note), provides that, notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)):

(1) A civil penalty of not to exceed \$325,000 per violation may be imposed on any person who, after the enactment of this Act, violates or evades or attempts to violate or evade Executive

Order Number 12722, 12723, 12724, or 12725, or any license, order, or regulation issued under any such Executive Order;

NOTE TO PARAGRAPH (A)(1). The current \$325,000 civil penalty cap may be adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990.

(2) Whoever after the date of enactment of this Act willfully violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725 or any license, order, or regulation issued under any such Executive Order—

(i) Shall, upon conviction, be fined not more than \$1,000,000 if a person other than a natural person; or

(ii) If a natural person, shall, upon conviction, be fined not more than \$1,000,000, be imprisoned for not more than 12 years, or both.

(3) Any officer, director, or agent of any corporation who knowingly participates in a violation, evasion, or attempt described in paragraph (a)(2) of this section may be punished by imposition of the fine, imprisonment (or both) specified in paragraph (a)(2)(ii) of this section.

(b) The criminal penalties provided in the Iraq Sanctions Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is directed to the United Nations Participation Act, 22 U.S.C. 287c(b), which provides that any person who willfully violates or evades or attempts to violate or evade any order, rule, or regulation issued by the President pursuant to the authority granted in that section shall, upon conviction, be fined not more than \$10,000 or, if a natural person, be imprisoned for not more than ten years, or both; and the officer, director or agent of any corporation who knowingly participates in such violation or evasion shall be punished by a similar fine, imprisonment or both, and any property, funds, securities, papers, or other articles or documents, or any vessel, together with tackle, apparel, furniture, and equipment, or vehicle, or aircraft, concerned in such violation shall be forfeited to the United States. The criminal penalties provided in the United Nations Participation Act are subject to increase pursuant to 18 U.S.C. 3571.